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AFRICAN AFFAIRS

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ACTION AF-00

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SITUATION IN BURUNDI STABILIZES, ELECTROGAZ OFFICIALS SAID THAT BURUNDI WILL MOST LIKELY TAKE BACK ITS SHARE OF ELECTRICITY, MEANING THE RATIONING PLAN FOR RWANDA WILL RETURN TO NORMAL.

ACTION OFFICE RW-01

INFO AS-01 EPS-02 DASD-01 ZF-02 DED-01 CG-01 BY-01 UG-01
TZ-01 KE-01 IV-01 AFP-01 XYA-02 CH-01 XW-01 /019 A1 RS

INFO LOG-00 ACDA-17 AID-00 CEA-01 CEQ-01 CIAE-00 CIME-00
C-01 OAS-00 DINT-01 DODE-00 DOEE-00 ITCE-00 EB-00
EXNE-00 EUR-00 E-01 FRB-01 HA-09 H-01 TEDE-00
INR-00 ITC-01 LAB-01 L-00 ADS-00 NSAE-00 NSCE-00
OES-00 ONB-01 OPIC-01 PH-00 PRS-01 SWP-00 SP-00
SS-00 STR-01 TRSE-00 USIE-00 EPAE-00 /054N
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R 140659Z FEB 94 ZDK PER BMR SVC

FM AMEMBASSY KIGALI
TO SECSTATE WASHDC 5708
USDOC WASHDC
INFO AMEMBASSY ABIDJAN
AMEMBASSY BUJUMBURA
AMEMBASSY BRUSSELS
AMEMBASSY DAR ES SALAAM
AMEMBASSY KAMPALA
AMEMBASSY KINSHASA
AMEMBASSY NAIROBI
AMEMBASSY-PARIS
USDAO YAOUNDÉ

UNCLAS KIGALI 00636

DEPT FOR AF/C AND EB

E.O. 12356:W/A

TAGS: ECON, EIND, ENRG, ETRD, MCAP, PIMR, BTIO, EAID, RW

SUBJECT: UPDATE ON THE RWANDAN ENERGY CRISIS

REF: 93 KIGALI 3994

1. SUMMARY. TEMPORARY REPRIEVE IN RWANDAN ELECTRICITY RATIONING SCHEDULE RELATED TO INSTABILITY IN BURUNDI. UNTIL BURUNDIAN FACTORIES REOPEN AND INCREASE OVERALL ENERGY DEMAND, RWANDA IS BENEFITING FROM BURUNDI'S SHARE OF ELECTRICITY FROM THE RUZIZI II PLANT OPERATED UNDER COOPERATIVE ARRANGEMENT BETWEEN RWANDA, BURUNDI AND ZAIRE). OTHER RWANDAN HYDROELECTRIC PLANT OUTPUTS REMAIN LOW DUE TO LACK OF RAINFALL AND REPAIRS. SHORT REPRIEVE IN RATIONING SCHEDULE NOT ENOUGH TO HELP RWANDAN INDUSTRY REBOUND IN THE SHORT TERM. END SUMMARY.

TEMPORARY REPRIEVE IN RATIONING THANKS TO BURUNDI

2. FOR THE PAST THREE WEEKS, ELECTROGAZ HAS NOT ADHERED TO ITS PUBLISHED RATIONING SCHEDULE. UNDER THE PREVIOUS RATIONING PLAN, KIGALI WAS DIVIDED INTO THREE CONSUMPTION SECTORS. THESE THREE SECTORS WERE SCHEDULED TO LOSE A TOTAL OF SIX HOURS OF ELECTRICITY A DAY MONDAY THROUGH SATURDAY ON AN ALTERNATING SCHEDULE. EVERYONE WAS SUPPOSED TO HAVE ELECTRICITY ON SUNDAY. RECENTLY, HOWEVER, ELECTRICITY HAS ONLY BEEN CUT OFF THREE TO FOUR HOURS AT A TIME IN EACH OF THE THREE SECTORS.

3. ELECTROGAZ (THE RWANDAN UTILITY COMPANY) SAID THAT THIS DEVIATION FROM THE RATIONING SCHEDULE IS ONLY TEMPORARY. UTILITY COMPANY OFFICIALS SAID THAT RWANDA

HAS BEEN ABLE TO USE BURUNDI'S ALLOTMENT OF ELECTRICITY FROM THE RUZIZI II PLANT. SINCE THE OCTOBER 1993 COUP, BURUNDI HAS NOT USED ALL OF ITS ALLOTMENT BECAUSE MOST OF ITS FACTORIES HAVE TEMPORARILY SHUT DOWN. ONCE THE

LACK OF RAINFALL AND REPAIRS MEANS SHORTAGES CONTINUE

4. THE CONTINUED LACK OF RAINFALL IN CERTAIN SECTIONS OF THE COUNTRY HAS MEANT THAT WATER RESERVOIR LEVELS HAVE NOT INCREASED ENOUGH AT MUKUNGWA OR RUZIZI I OR II TO INCREASE THEIR OVERALL OUTPUT. NEEDED REPAIRS AT RUZIZI I HAVE NOT BEEN UNDERTAKEN BECAUSE BOTH THE RWANDAN AND THE ZAIRIAN GOVERNMENTS (WHO OPERATE THE RUZIZI I PLANT THROUGH A COOPERATIVE AGREEMENT) ARE FOCUSING ON INTERNAL POLITICAL PROBLEMS RATHER THAN ENERGY ISSUES. AS FOR THE NTARUKA PLANT, ELECTROGAZ DOESN'T EXPECT IT TO COME ON LINE AGAIN UNTIL THE END OF 1994 AT THE EARLIEST. WITH NO QUICK REPAIRS PLANNED IN THE NEAR TERM, ENERGY SHORTAGES ARE EXPECTED TO CONTINUE THROUGH AT LEAST TO THE END OF THE YEAR. (SEE REFTEL FOR SCHEMATIC OF RWANDA'S POWER GENERATION CAPABILITIES AND THE CAPACITY OF EACH PLANT SUPPLYING THE COUNTRY'S ENERGY NEEDS).

TOO LITTLE, TOO LATE FOR SOME RWANDAN BUSINESSMEN

5. NONETHELESS, THOSE LARGER MORE ESTABLISHED FACTORIES THAT HAVE WEATHERED THE CRISIS SO FAR HAVE BENEFITED FROM THIS SHORT REPRIEVE IN ELECTRICITY RATIONING. ACCORDING TO THE PRESIDENT OF THE ASSOCIATION OF RWANDAN INDUSTRIALISTS - JEAN DE DIEU HABINEZA, HOWEVER, THIS TEMPORARY REPRIEVE WILL NOT BE ENOUGH TO GET MANY OF THESE FACTORIES OUT OF THE RED. MR. HABINEZA ADDED THAT MOST OF THE MEMBERS OF HIS ASSOCIATION WHO REPRESENT THE LARGEST FACTORIES/COMPANIES IN RWANDA HAVE NOT TURNED A PROFIT SINCE THE ELECTRICITY RATIONING PLAN WENT INTO

EFFECT IN EARLY SEPTEMBER 1993. SIMILARLY, THE SMALLER TO MEDIUM SIZE MANUFACTURING ENTERPRISES IN TOWN HAVE HAD TO SCALE BACK PRODUCTION, UNABLE TO MAINTAIN LARGE STOCKS OF INPUTS ON HAND IN ORDER TO AUGMENT PRODUCTION AT A MOMENT'S NOTICE WHENEVER ELECTROGAZ IS ABLE TO SUPPLY MORE ELECTRICITY THAN PLANNED.

COMMENT

6. MANY OF THE PRESSING ECONOMIC ISSUES OF THE DAY, INCLUDING THE COUNTRY'S ENERGY PROBLEMS, HAVE NOT RECEIVED THE ATTENTION THEY NEED. WHENEVER A TRANSITION GOVERNMENT IS INSTALLED CAPABLE OF ADDRESSING SOME OF THE COUNTRY'S CURRENT ENERGY PROBLEMS, THERE WILL STILL BE A LONG GAP BETWEEN WHEN REPAIRS ARE ACTUALLY BEGUN AND WHEN LOCAL INDUSTRY CAN START CAPITALIZING ON THE DIFFERENCE IN ENERGY OUTPUT. THUS, NO QUICK SOLUTIONS TO

THE ENERGY SITUATION ARE EXPECTED EVEN WITH THE INSTALLATION OF THE TRANSITION GOVERNMENT. RAWSON

UNITED STATES DEPARTMENT OF STATE

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